

FY2022 1Q Financial Results Outline

(April 1, 2022 – June 30, 2022)

July 29, 2022

SHIKOKU ELECTRIC POWER CO.,INC.

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Overview of Consolidated Financial Results

【 Financial Results for FY 2022 1Q】

- ❑ Operating revenues increased by ¥ 48.9 billion YoY, to ¥ 166.6 billion. The main factors were as follows;
 - ✓ The revenues based on the Fuel Cost Adjustment System and the revenues from wholesale increased.

- ❑ Operating expenses increased by ¥ 42.6 billion YoY, to ¥ 163.8 billion. The main factors were as follows;
 - ✓ The cost related to demand and supply increased significantly due to a rise in the fuel price, increasing total electricity sales, etc., despite Ikata Unit3 operation.

- ❑ As a result,
 - ✓ Operating profit (loss) increased by ¥ 6.2 billion YoY, to ¥ 2.8 billion.
 - ✓ Ordinary profit (loss) increased by ¥ 8.7 billion YoY, to ¥ 4.9 billion.
 - ✓ Profit (loss) attributable to owners of parent increased by ¥ 5.0 billion YoY, to ¥ 2.2billion.

Due to a rise in the fuel price, the average fuel price, which is the basis for calculating the fuel cost adjustment amount, has exceeded the price ceiling for fuel cost adjustment (= 1.5 times the standard fuel price) since April 2022. Since the price for April to June is 1.5 to 1.6 times the standard fuel price, the uncollectible amount (= our burden) in FY2022 1Q is about 1 billion yen.

However, the fuel prices have continued to rise, and although we are trying to abolish the price ceiling of the deregulated section, it is assumed that the impact may exceed 50 billion yen for FY2022.

【 Forecasts of Financial Results for FY 2022 】 No change from the announcement in April 2022

- ❑ The forecasts of consolidated financial results for FY 2022 are undecided because the outlook for fuel prices has become more uncertain since Russia's invasion of Ukraine and it is difficult to forecast financial results.

【 Dividends 】 No change from the announcement in April 2022

- ❑ The forecasts of annual dividends for FY2022 are undecided for the same reason as the forecasts of consolidated financial results because it is difficult to judge the dividend level without forecasting the full-year financial results.

I . Consolidated Financial Results for FY2022 1Q (April 1, 2022 – June 30, 2022)

Summary of Financial Results (Refer to page 5 to 6 for details)

(100 million yen)				
	FY2022 1Q (a)	FY2021 1Q (b)	(c)=(a)-(b)	(c)/(b)
Operating Revenues	1,666	1,177	489	41.5%
Operating Expenses	1,638	1,212	426	35.1%
Operating Profit (loss)	28	(34)	62	-
Non-Operating Profit (loss)	20	(3)	23	-
Ordinary Profit (loss)	49	(38)	87	-
Income Taxes, etc.	26	(10)	36	-
Profit (loss) attributable to owners of parent	22	(28)	50	-

(Note) Ordinary Profit (loss) is income before reserve for fluctuations in water level and income taxes, etc.

(million kWh)

	FY2022 1Q (a)	FY2021 1Q (b)	(c)=(a)-(b)	(c)/(b)	Details
Retail	5,316	5,111	205	4.0%	• Increase in retail sales due to increase in contract demand, etc.
Lighting	1,627	1,709	(82)	(4.8)%	
Power	3,689	3,402	287	8.4%	
Wholesale	2,167	1,673	494	29.5%	• Increase in wholesales at Japan Electric Power Exchange (JEPX), etc.
Total	7,482	6,784	698	10.3%	

(Note) The imbalances (the differences between the demand planned in advance by the electricity suppliers and the actual demand) which have not been confirmed as of the settlement day are not to be included.

Average Temperatures in Prefectural Capitals in Shikoku

(°C)

	Mar	Apr	May	Jun	4-month AVG.
FY2022 1Q	11.8	16.3	19.6	23.9	17.9
Differences from the average year	2.1	1.2	(0.1)	0.8	1.0
Differences from the previous year	(0.9)	0.7	0.0	0.6	0.1

Electricity Supplied

		(million kWh)				
		FY2022 1Q (a)	FY2021 1Q (b)	(c)=(a)-(b)	(c)/(b)	Details
Own Generated Power	Nuclear	1,922	-	1,922	-	·Capacity factor of Ikata Unit No.3 - % → 103.1%
	Hydro	494	669	(175)	(26.2)%	·Flow Rate 104.8% → 68.3%
	Renewable Energy	1	2	(1)	(61.4)%	
	Thermal	2,374	2,877	(503)	(17.5)%	
Purchased Power		3,093	3,530	(437)	(12.4)%	·Hydropower 329 → 194 ·Renewable Energy 1,395 → 1,511

(Note) The imbalances (the differences between the demand planned in advance by the electricity suppliers and the actual demand) which have not been confirmed as of the settlement day are not to be included.

Details of Consolidated Financial Results ; year-on-year basis

(100 million yen)

	FY2022 1Q (a)	FY2021 1Q (b)	Change	
			(c)=(a)-(b)	(c)/(b)
Electricity Sales(Retail)	1,007	789	218	27.6%
Electricity Sales(Wholesale)	364	124	240	193.4%
Others	88	71	17	23.9%
Electric Operating Revenues	1,460	984	476	48.3%
Other Operating Revenues	206	193	13	7.1%
Operating Revenues	1,666	1,177	489	41.5%
Personnel	124	119	5	4.6%
Fuel	352	165	187	113.8%
Power Purchase	459	262	197	75.3%
Depreciation	106	121	(15)	(12.7)%
Maintenance	117	118	(1)	(0.6)%
Nuclear Back-end	42	7	35	498.0%
Others	259	251	8	2.9%
Electric Operating Expenses	1,463	1,046	417	39.9%
Other Operating Expenses	174	166	8	5.4%
Operating Expenses	1,638	1,212	426	35.1%
Operating Profit (loss)	28	(34)	62	-
Non-Operating Profit (loss)	20	(3)	23	-
Ordinary Profit (loss)	49	(38)	87	-
Income Taxes, etc.	26	(10)	36	-
Profit (loss) attributable to owners of parent	22	(28)	50	-

① 【Electricity Sales(Retail)】

- Increase in electricity sales +34
- Increase in revenues based on the Fuel Cost Adjustment System +189, etc.

①

② 【Electricity Sales(Wholesale)】

- Increase in electricity sales +80, etc.

②

③ 【Fuel, Power Purchase】 +385

- Increase in nuclear power (257)
 - Increase in total electricity sales +100
 - Decrease in hydropower +44
 - Increase in the volume of purchasing renewable energy +83
 - Increase in the fuel price +324*, etc.
- * Include decreasing in FIT grants due to increasing in the price in JEPX +49

③

		FY2022 1Q (a)	FY2021 1Q (b)	(a-b)
CIF Price (all Japan)	Coal (\$/t)	298	108	190
	Crude Oil (\$/b)	111	67	44
	LNG (\$/t)	799	440	359
Exchange Rate (¥/\$)		130	110	20

④

④ 【Depreciation】

- Decrease in the cost due to changing the method of depreciation (declining balance method → Straight-line method) (30), etc.

⑤

⑤ 【Nuclear Back-end】

- Increase in the reprocessing cost and the high level radioactive waste disposal cost to be linked to kWh change +35

⑥

⑥ 【Others】

- Increase in taxes and dues +6, etc.

⑦ 【Non-Operating profit (Loss)】

- Foreign exchange gains +23

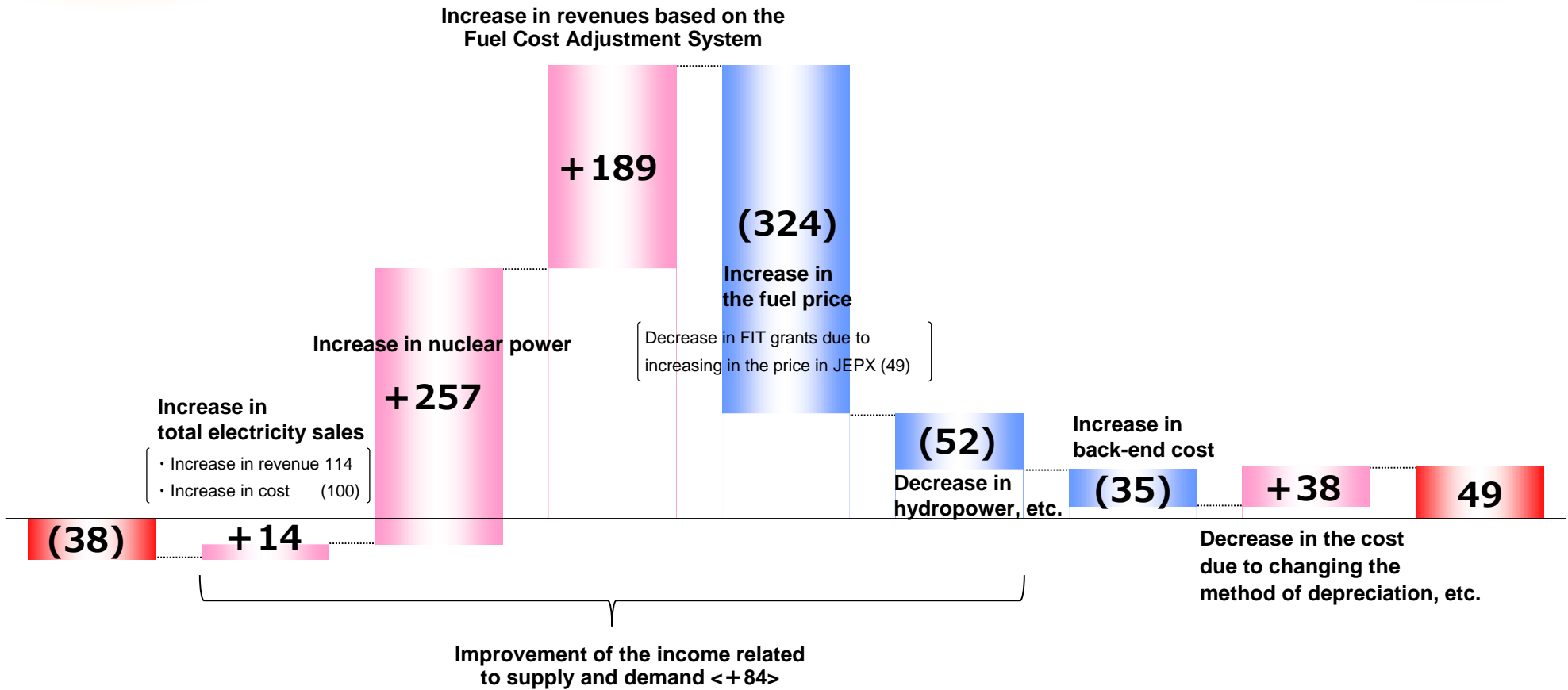
⑦

[Factors Contributing to Change in Ordinary Profit (Loss)]

(100 million yen)

FY2021 1Q

FY2022 1Q



Results by Segment

(100 million yen)

		FY2022 1Q (a)	FY2021 1Q (b)	(a-b)	Main Factors		
Consolidated		Revenues	1,666	1,177	489		
		Ordinary Profit (loss)	49	(38)	87	-	
Segment	Electric Utility *	Power Generation & Sales	Revenues	1,397	952	445	{ Increase in total electricity sales +93 { Increase in revenues based on the Fuel Cost Adjustment System +189, etc. { Increase in nuclear power +257 { Increase in revenues based on the Fuel Cost Adjustment System +189 { Increase in the fuel price (280), etc.
			Ordinary Loss	(25)	(72)	47	
		Transmission & Distribution	Revenues	606	440	166	{ Increase in wheeling charges +7 { Increase in revenues due to supply and demand adjustment +150, etc. { Decrease in depreciation +11 { Decrease in maintenance +6 { Improvement of the income related to supply and demand adjustment +5, etc.
				Ordinary Profit (loss)	28	(2)	
	IT/ Communications *		Revenues	111	107	4	
			Ordinary Profit	24	20	4	
	Energy *		Revenues	54	45	9	- Increase in LNG sales business +11, etc.
			Ordinary Profit	11	3	8	- Increase in LNG sales business +2, etc.
	Construction/ Engineering *		Revenues	107	111	(4)	
			Ordinary Profit	5	5	(0)	
Others *		Revenues	74	80	(6)		
		Ordinary Profit	5	7	(2)		

* Internal transactions are not eliminated.

Capital Investment

(100 million yen)

	FY2022 1Q
Electric Utility (Power generation & sales)	76
<Replacement of unit no.1 of Saijo thermal power station>	<49>
Electric Utility (Transmission & Distribution)	72
IT/Communications	5
Energy, Construction/Engineering, Others	11
Total (Before the elimination of unrealized profits)	166

(100 million yen)

	Jun 30, 2022 (a)	Mar 31, 2022 (b)	(a-b)	Details
Total assets	15,986	15,007	979	
<Plant and equipment, and intangible assets (except Special account related to nuclear power decommissioning, Special account related to reprocessing of spent nuclear fuel)>	<8,829>	<8,807>	<22>	<ul style="list-style-type: none"> • Capital investment +156 • Depreciation (122), etc.
<Cash and cash equivalents>	<1,343>	<729>	<614>	<ul style="list-style-type: none"> • Increase in Fuel storage +197 • Recording of prepaid expenses associated with advance payment property tax +82, etc.
<Investment, etc.>	<4,570>	<4,218>	<352>	
Liabilities	12,769	11,854	915	
<Bonds and loans>	<9,462>	<8,602>	<860>	<ul style="list-style-type: none"> • Increase in bonds +770 • Increase in long-term loan payable +420 • Decrease in commercial paper (330)
<Accounts payable, etc.>	<3,307>	<3,251>	<56>	
Total net assets	3,216	3,152	64	
<Retained earnings>	<1,658>	<1,666>	<(8)>	<ul style="list-style-type: none"> • Dividend payment (30) • Profit attributable to owners of the parent +22
<Accumulated other comprehensive income>	<142>	<71>	<71>	

Shareholders' equity ratio	20.0%	20.8%	(0.8)%
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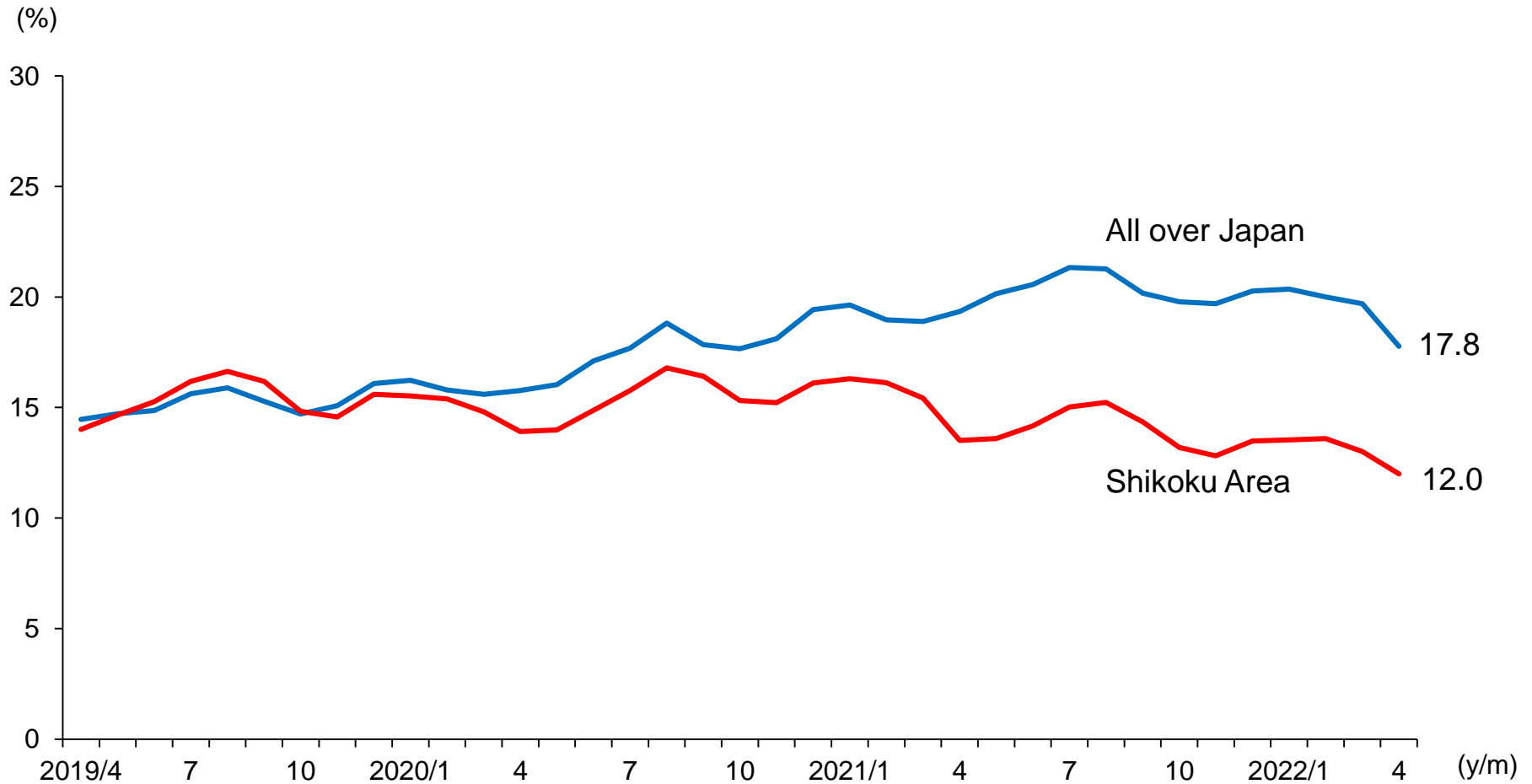
II . Forecasts of Consolidated Financial Results & Dividends for FY2022

No change from the announcement in April 2022

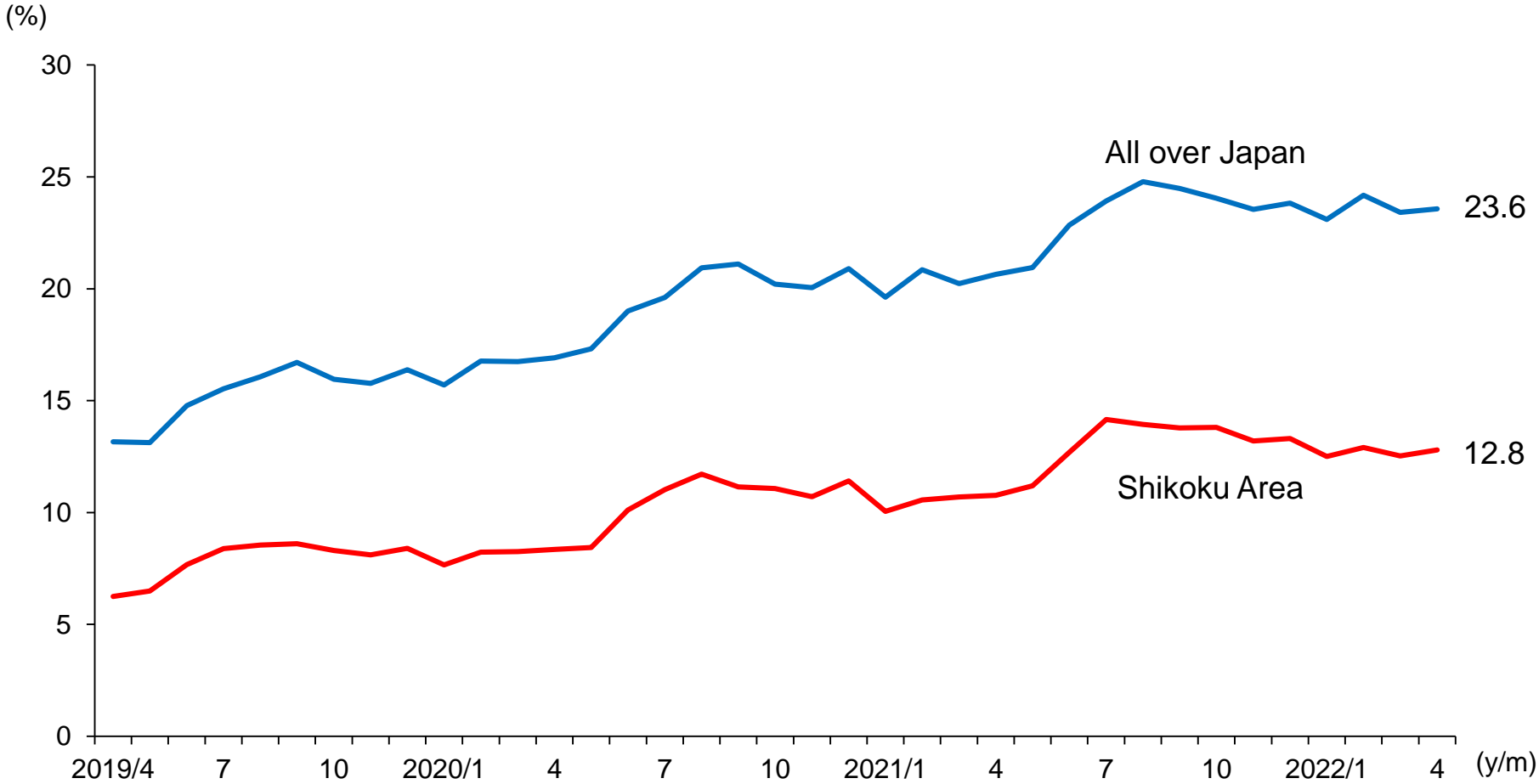
- ❑ The forecasts of consolidated financial results and dividends for FY 2022 are undecided because the outlook for fuel prices has become more uncertain since Russia's invasion of Ukraine and it is difficult to forecast financial results.
- ❑ These financial forecasts will be promptly released as soon as they are determined.

Supplemental Material for FY2022 1Q

- Retail Sales Power Share of Power Producer and Supplier [PPS]
(Extra high, High, Low Voltage : Shikoku Area)
- Changes in the Number of Electrified Housing Contracts (Cumulative)
- Consumption of Fossil Fuels
- Flow Rate, Financial Sensitivity for Key Factors
- Time Lag Effect of Fuel Cost Adjustment System, etc.
- Plant and Equipment Expenditures (Consolidated)

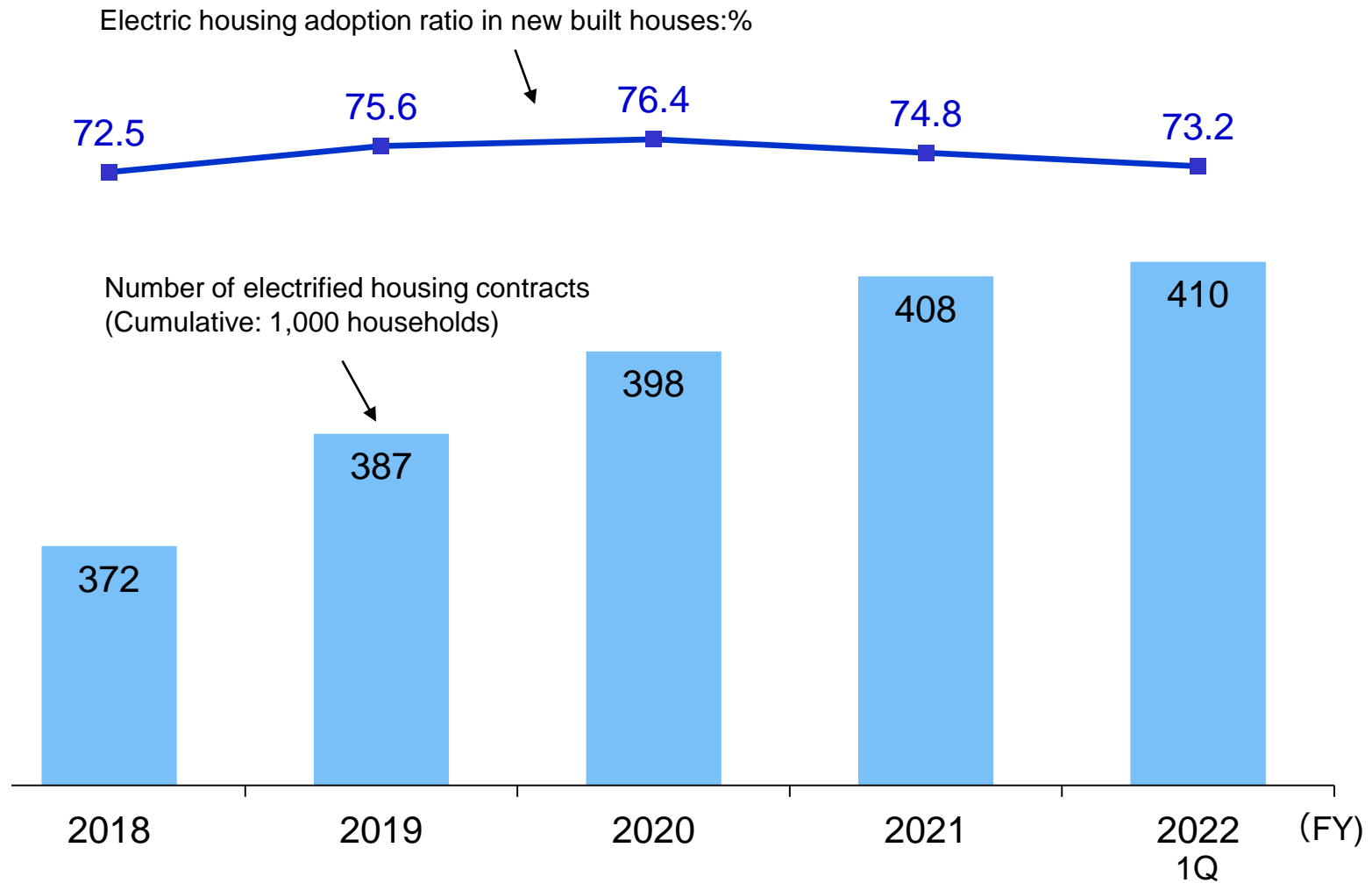


(Source) Electricity and Gas Market Surveillance Commission " Electricity transaction report "



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Changes in the Number of Electrified Housing Contracts (Cumulative)

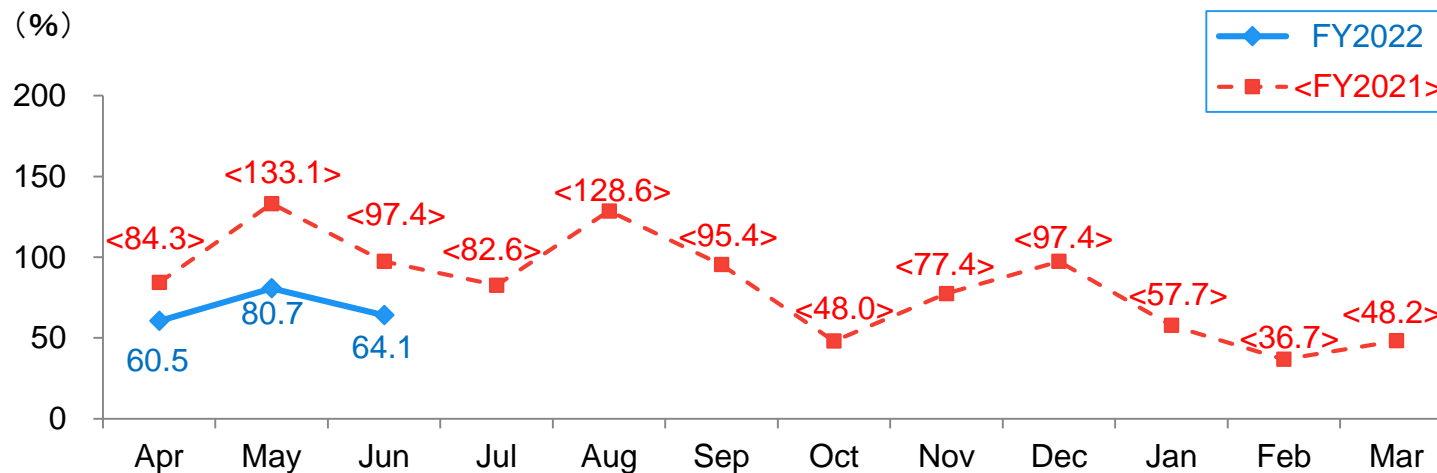


	FY2022 1Q (A)	FY2021 1Q (B)	(A-B)
Coal (10,000t)	46.2	77.0	(30.8)
Heavy Oil (10,000kl)	8.8	4.1	4.7
Crude Oil (10,000kl)	-	-	-
LNG (10,000t)	8.8	7.0	1.8

【Fuel Prices】

	FY2022 1Q (A)	FY2021 1Q (B)	(A-B)
CIF price: Coal (\$/t)	298	108	190
CIF price: Crude Oil (\$/b)	111	67	44
CIF price: LNG (\$/t)	799	440	359
Exchange rate (¥/\$)	130	110	20

Flow Rate



Financial Sensitivity for Key Factors

(100 million yen)

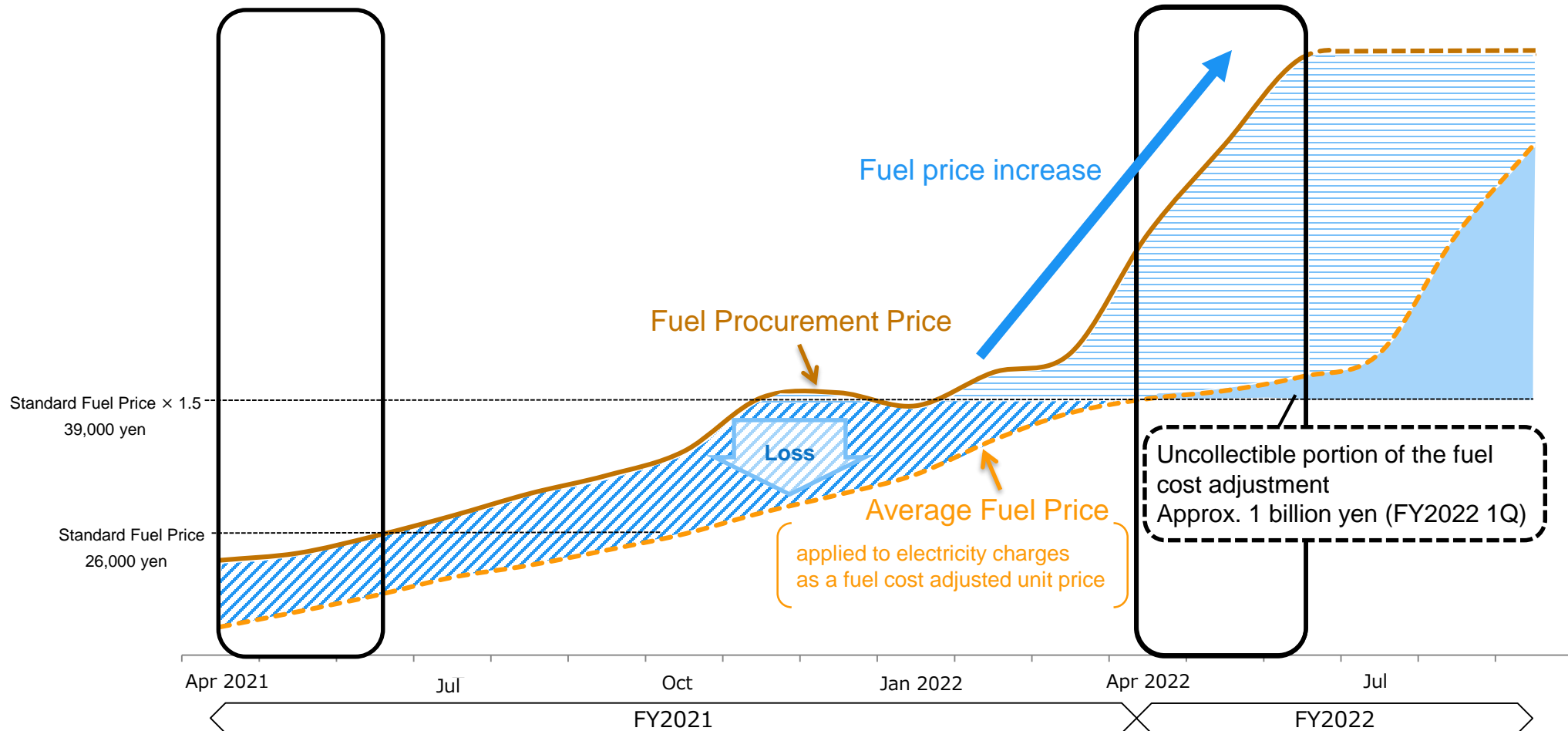
	FY2022 1Q
CIF price: coal (1\$/t)	1
CIF price: crude oil (1\$/b)	1
Exchange rate (¥1/\$)	4
Nuclear power capacity factor (1%)	3
Flow Rate (1%)	1

FY2021 1Q

FY2022 1Q

Time Lag Effect* Approx. (5.0) billion yen

Time Lag Effect* indefinable
 <Exceed the ceiling price (= the Standard Fuel Price × 1.5) since April>
 Assuming that there is no price ceiling, it's approx. (21.5) billion yen.



* Fluctuation in fuel prices causes time lag between payment of fuel cost and reception of fuel cost adjustment charges, resulting in temporary increase or decrease in profits. Time Lag Effect above is this temporary increase or decrease, assuming that time lag does not take place.

(100 million yen)

	FY2022 1Q	<ref> FY2021
Power Generation & Sales	76	655
Renewable energy	5	41
Thermal	55	188
Nuclear	8	336
Nuclear fuel	6	80
Transmission & Distribution	72	267
Transmission	16	77
Transformation	27	86
Distribution	24	81
Electric power business	149	922
Other business	16	103
Total*	166	1,026

* Before the elimination of unrealized profits



SHIKOKU ELECTRIC POWER CO., INC.

Caution Regarding Business Forecasts and Forward-Looking Statements

In addition to historical facts regarding Shikoku Electric Power Company and its subsidiaries and affiliated companies, this presentation contains business forecasts and other forward-looking statements.

These statements are based on our assumptions and judgments in consideration of the information available at the time and are subject to risks and uncertainties.

It is also possible that such forecasts will be revised at a later date in light of changes in the operating environment or other underlying assumptions for the forecasts. We ask that readers please take these factors into consideration.